

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1774 be amended to read as follows:

- 1 Page 2, between lines 1 and 2, begin a new paragraph and insert:
- 2 "SECTION 2. IC 6-1.1-12.1-1, AS AMENDED BY
- 3 P.L.154-2006, SECTION 24, IS AMENDED TO READ AS
- 4 FOLLOWS: Sec. 1. For purposes of this chapter:
- 5 (1) "Economic revitalization area" means an area which is
- 6 within the corporate limits of a city, town, or county which has
- 7 become undesirable for, or impossible of, normal development
- 8 and occupancy because of a lack of development, cessation of
- 9 growth, deterioration of improvements or character of
- 10 occupancy, age, obsolescence, substandard buildings, or other
- 11 factors which have impaired values or prevent a normal
- 12 development of property or use of property. The term
- 13 "economic revitalization area" also includes:
- 14 (A) any area where a facility or a group of facilities that
- 15 are technologically, economically, or energy obsolete are
- 16 located and where the obsolescence may lead to a decline
- 17 in employment and tax revenues; and
- 18 (B) a residentially distressed area, except as otherwise
- 19 provided in this chapter.
- 20 (2) "City" means any city in this state, and "town" means any
- 21 town incorporated under IC 36-5-1.
- 22 (3) "New manufacturing equipment" means tangible personal
- 23 property that a deduction applicant **acquires in an arms length**
- 24 **transaction from an entity that is not an affiliate of the**

1 **deduction applicant for use as described in clause (B). In**
2 **addition, the deduction applicant or a person who leases the**
3 **tangible personal property from a deduction applicant**
4 **must::**

5 (A) ~~installs~~ **install the tangible personal property** after
6 February 28, 1983, and on or before the approval
7 deadline determined under section 9 of this chapter, in an
8 area that is declared an economic revitalization area after
9 February 28, 1983, in which a deduction for tangible
10 personal property is allowed;

11 (B) ~~uses~~ **use the tangible personal property** in the direct
12 production, manufacture, fabrication, assembly,
13 extraction, mining, processing, refining, or finishing of
14 other tangible personal property, including but not limited
15 to use to dispose of solid waste or hazardous waste by
16 converting the solid waste or hazardous waste into energy
17 or other useful products; **and**

18 ~~(C) acquires in an arms length transaction from an entity~~
19 ~~that is not an affiliate of the deduction applicant for use as~~
20 ~~described in clause (B); and~~

21 ~~(D)~~ **(C) have never used the tangible personal property**
22 **for any purpose in Indiana before the installation**
23 **described in clause (A).**

24 However, notwithstanding any other law, the term includes
25 tangible personal property that is used to dispose of solid waste
26 or hazardous waste by converting the solid waste or hazardous
27 waste into energy or other useful products and was installed
28 after March 1, 1993, and before March 2, 1996, even if the
29 property was installed before the area where the property is
30 located was designated as an economic revitalization area or
31 the statement of benefits for the property was approved by the
32 designating body.

33 (4) "Property" means a building or structure, but does not
34 include land.

35 (5) "Redevelopment" means the construction of new structures,
36 in economic revitalization areas, either:

37 (A) on unimproved real estate; or

38 (B) on real estate upon which a prior existing structure is
39 demolished to allow for a new construction.

40 (6) "Rehabilitation" means the remodeling, repair, or
41 betterment of property in any manner or any enlargement or
42 extension of property.

43 (7) "Designating body" means the following:

44 (A) For a county that does not contain a consolidated city,
45 the fiscal body of the county, city, or town.

46 (B) For a county containing a consolidated city, the
47 metropolitan development commission.

48 (8) "Deduction application" means:

49 (A) the application filed in accordance with section 5 of
50 this chapter by a property owner who desires to obtain the
51 deduction provided by section 3 of this chapter;

(B) the application filed in accordance with section 5.4 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter; or

(C) the application filed in accordance with section 5.3 of this chapter by a property owner that desires to obtain the deduction provided by section 4.8 of this chapter.

(9) "Designation application" means an application that is filed with a designating body to assist that body in making a determination about whether a particular area should be designated as an economic revitalization area.

(10) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a). The term includes waste determined to be a hazardous waste under IC 13-22-2-3(b).

(11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a). However, the term does not include dead animals or any animal solid or semisolid wastes.

(12) "New research and development equipment" means tangible personal property that:

(A) a deduction applicant **or a person who leases the tangible personal property from a deduction applicant** installs after June 30, 2000, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

- (i) laboratory equipment;
- (ii) research and development equipment;
- (iii) computers and computer software;
- (iv) telecommunications equipment; or
- (v) testing equipment;

(C) the deduction applicant **or a person who leases the tangible personal property from a deduction applicant** uses in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products;

(D) the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant for purposes described in this subdivision; and

(E) the deduction applicant **or a person who leases the tangible personal property from a deduction applicant** never used for any purpose in Indiana before the installation described in clause (A).

The term does not include equipment installed in facilities used for or in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising or promotion, or research in connection with literacy, history, or

1 similar projects.

2 (13) "New logistical distribution equipment" means tangible
3 personal property that:

4 (A) a deduction applicant **or a person who leases the**
5 **tangible personal property from a deduction applicant**
6 installs after June 30, 2004, and on or before the approval
7 deadline determined under section 9 of this chapter, in an
8 economic revitalization area in which a deduction for
9 tangible personal property is allowed;

10 (B) consists of:

- 11 (i) racking equipment;
- 12 (ii) scanning or coding equipment;
- 13 (iii) separators;
- 14 (iv) conveyors;
- 15 (v) fork lifts or lifting equipment (including "walk
- 16 behinds");
- 17 (vi) transitional moving equipment;
- 18 (vii) packaging equipment;
- 19 (viii) sorting and picking equipment; or
- 20 (ix) software for technology used in logistical
- 21 distribution;

22 (C) the deduction applicant acquires in an arms length
23 transaction from an entity that is not an affiliate of the
24 deduction applicant and uses for the storage or distribution
25 of goods, services, or information; and

26 (D) the deduction applicant **or a person who leases the**
27 **tangible personal property from a deduction applicant**
28 never used for any purpose in Indiana before the
29 installation described in clause (A).

30 (14) "New information technology equipment" means tangible
31 personal property that:

32 (A) a deduction applicant **or a person who leases the**
33 **tangible personal property from a deduction applicant**
34 installs after June 30, 2004, and on or before the approval
35 deadline determined under section 9 of this chapter, in an
36 economic revitalization area in which a deduction for
37 tangible personal property is allowed;

38 (B) consists of equipment, including software, used in the
39 fields of:

- 40 (i) information processing;
- 41 (ii) office automation;
- 42 (iii) telecommunication facilities and networks;
- 43 (iv) informatics;
- 44 (v) network administration;
- 45 (vi) software development; and
- 46 (vii) fiber optics;

47 (C) the deduction applicant acquires in an arms length
48 transaction from an entity that is not an affiliate of the
49 deduction applicant; and

(D) the deduction applicant **or a person who leases the tangible personal property from a deduction applicant** never used for any purpose in Indiana before the installation described in clause (A).

(15) "Deduction applicant" means an owner of tangible personal property who makes a deduction application.

(16) "Affiliate" means an entity that effectively controls or is controlled by a deduction applicant or is associated with a deduction applicant under common ownership or control, whether by shareholdings or other means.

(17) "Eligible vacant building" means a building that:

(A) is zoned for commercial or industrial purposes; and

(B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

SECTION 3. IC 6-1.1-12.1-3 IS AMENDED TO READ AS FOLLOWS: Sec. 3. (a) An applicant must provide a statement of benefits to the designating body. If the designating body requires information from the applicant for economic revitalization area status for use in making its decision about whether to designate an economic revitalization area, the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the proposed redevelopment or rehabilitation.

(2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person **or a tenant of the property owner** as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.

(3) An estimate of the value of the redevelopment or rehabilitation.

With the approval of the designating body, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(b) The designating body must review the statement of benefits required under subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether a deduction should be allowed, based on (and after it has

1 made) the following findings:

2 (1) Whether the estimate of the value of the redevelopment or
3 rehabilitation is reasonable for projects of that nature.

4 (2) Whether the estimate of the number of individuals who will
5 be employed or whose employment will be retained can be
6 reasonably expected to result from the proposed described
7 redevelopment or rehabilitation.

8 (3) Whether the estimate of the annual salaries of those
9 individuals who will be employed or whose employment will
10 be retained can be reasonably expected to result from the
11 proposed described redevelopment or rehabilitation.

12 (4) Whether any other benefits about which information was
13 requested are benefits that can be reasonably expected to result
14 from the proposed described redevelopment or rehabilitation.

15 (5) Whether the totality of benefits is sufficient to justify the
16 deduction.

17 A designating body may not designate an area an economic
18 revitalization area or approve a deduction unless the findings required
19 by this subsection are made in the affirmative.

20 (c) Except as provided in subsections (a) through (b), the owner
21 of property which is located in an economic revitalization area is
22 entitled to a deduction from the assessed value of the property. If the
23 area is a residentially distressed area, the period is not more than five
24 (5) years. For all other economic revitalization areas designated
25 before July 1, 2000, the period is three (3), six (6), or ten (10) years.
26 For all economic revitalization areas designated after June 30, 2000,
27 the period is the number of years determined under subsection (d).

28 The owner is entitled to a deduction if:

29 (1) the property has been rehabilitated; or

30 (2) the property is located on real estate which has been
31 redeveloped.

32 The owner is entitled to the deduction for the first year, and any
33 successive year or years, in which an increase in assessed value
34 resulting from the rehabilitation or redevelopment occurs and for the
35 following years determined under subsection (d). However, property
36 owners who had an area designated an urban development area
37 pursuant to an application filed prior to January 1, 1979, are only
38 entitled to a deduction for a five (5) year period. In addition,
39 property owners who are entitled to a deduction under this chapter
40 pursuant to an application filed after December 31, 1978, and before
41 January 1, 1986, are entitled to a deduction for a ten (10) year
42 period.

43 (d) For an area designated as an economic revitalization area
44 after June 30, 2000, that is not a residentially distressed area, the
45 designating body shall determine the number of years for which the
46 property owner is entitled to a deduction. However, the deduction
47 may not be allowed for more than ten (10) years. This determination
48 shall be made:

49 (1) as part of the resolution adopted under section 2.5 of this

chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor who shall make the deduction as provided in section 5 of this chapter.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(e) Except for deductions related to redevelopment or rehabilitation of real property in a county containing a consolidated city or a deduction related to redevelopment or rehabilitation of real property initiated before December 31, 1987, in areas designated as economic revitalization areas before that date, a deduction for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

(1) Private or commercial golf course.

(2) Country club.

(3) Massage parlor.

(4) Tennis club.

(5) Skating facility (including roller skating, skateboarding, or ice skating).

(6) Racquet sport facility (including any handball or racquetball court).

(7) Hot tub facility.

(8) Suntan facility.

(9) Racetrack.

(10) Any facility the primary purpose of which is:

(A) retail food and beverage service;

(B) automobile sales or service; or

(C) other retail;

unless the facility is located in an economic development target area established under section 7 of this chapter.

(11) Residential, unless:

(A) the facility is a multifamily facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals;

(B) the facility is located in an economic development target area established under section 7 of this chapter; or

(C) the area is designated as a residentially distressed area.

(12) A package liquor store that holds a liquor dealer's permit under IC 7.1-3-10 or any other entity that is required to operate under a license issued under IC 7.1. This subdivision does not apply to an applicant that:

(A) was eligible for tax abatement under this chapter before July 1, 1995;

(B) is described in IC 7.1-5-7-11; or

(C) operates, **or has a lessee that operates**, a facility

under:

- (i) a beer wholesaler's permit under IC 7.1-3-3;
- (ii) a liquor wholesaler's permit under IC 7.1-3-8; or
- (iii) a wine wholesaler's permit under IC 7.1-3-13;

for which the applicant claims a deduction under this chapter.

(f) This subsection applies only to a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000). Notwithstanding subsection (e)(11), in a county subject to this subsection a designating body may, before September 1, 2000, approve a deduction under this chapter for the redevelopment or rehabilitation of real property consisting of residential facilities that are located in unincorporated areas of the county if the designating body makes a finding that the facilities are needed to serve any combination of the following:

- (1) Elderly persons who are predominately low-income or moderate-income persons.
- (2) Disabled persons.

A designating body may adopt an ordinance approving a deduction under this subsection only one (1) time. This subsection expires January 1, 2011.

SECTION 4. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.154-2006, SECTION 27, IS AMENDED TO READ AS FOLLOWS: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

- (1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

- (2) With respect to:

- (A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

- (B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed

or whose employment will be retained by the person **or a person who leases the tangible personal property from the property owner** as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical

1 distribution equipment, or new information technology
2 equipment.

3 (4) With respect to new manufacturing equipment used to
4 dispose of solid waste or hazardous waste by converting the
5 solid waste or hazardous waste into energy or other useful
6 products, whether the estimate of the amount of solid waste or
7 hazardous waste that will be converted into energy or other
8 useful products can be reasonably expected to result from the
9 installation of the new manufacturing equipment.

10 (5) Whether any other benefits about which information was
11 requested are benefits that can be reasonably expected to result
12 from the proposed installation of new manufacturing
13 equipment, new research and development equipment, new
14 logistical distribution equipment, or new information
15 technology equipment.

16 (6) Whether the totality of benefits is sufficient to justify the
17 deduction.

18 The designating body may not designate an area an economic
19 revitalization area or approve the deduction unless it makes the
20 findings required by this subsection in the affirmative.

21 (d) Except as provided in subsection (h), and subject to
22 subsection (i), an owner of new manufacturing equipment, new
23 research and development equipment, new logistical distribution
24 equipment, or new information technology equipment whose
25 statement of benefits is approved after June 30, 2000, is entitled to
26 a deduction from the assessed value of that equipment for the number
27 of years determined by the designating body under subsection (g).
28 Except as provided in subsection (f) and in section 2(i)(3) of this
29 chapter, and subject to subsection (i), the amount of the deduction
30 that an owner is entitled to for a particular year equals the product of:

31 (1) the assessed value of the new manufacturing equipment,
32 new research and development equipment, new logistical
33 distribution equipment, or new information technology
34 equipment in the year of deduction under the appropriate table
35 set forth in subsection (e); multiplied by

36 (2) the percentage prescribed in the appropriate table set forth
37 in subsection (e).

38 (e) The percentage to be used in calculating the deduction under
39 subsection (d) is as follows:

40 (1) For deductions allowed over a one (1) year period:

41 YEAR OF DEDUCTION	PERCENTAGE
42 1st	100%
43 2nd and thereafter	0%

44 (2) For deductions allowed over a two (2) year period:

45 YEAR OF DEDUCTION	PERCENTAGE
46 1st	100%
47 2nd	50%
48 3rd and thereafter	0%

49 (3) For deductions allowed over a three (3) year period:

1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd	66%
4	3rd	33%
5	4th and thereafter	0%
6	(4) For deductions allowed over a four (4) year period:	
7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	75%
10	3rd	50%
11	4th	25%
12	5th and thereafter	0%
13	(5) For deductions allowed over a five (5) year period:	
14	YEAR OF DEDUCTION	PERCENTAGE
15	1st	100%
16	2nd	80%
17	3rd	60%
18	4th	40%
19	5th	20%
20	6th and thereafter	0%
21	(6) For deductions allowed over a six (6) year period:	
22	YEAR OF DEDUCTION	PERCENTAGE
23	1st	100%
24	2nd	85%
25	3rd	66%
26	4th	50%
27	5th	34%
28	6th	25%
29	7th and thereafter	0%
30	(7) For deductions allowed over a seven (7) year period:	
31	YEAR OF DEDUCTION	PERCENTAGE
32	1st	100%
33	2nd	85%
34	3rd	71%
35	4th	57%
36	5th	43%
37	6th	29%
38	7th	14%
39	8th and thereafter	0%
40	(8) For deductions allowed over an eight (8) year period:	
41	YEAR OF DEDUCTION	PERCENTAGE
42	1st	100%
43	2nd	88%
44	3rd	75%
45	4th	63%
46	5th	50%
47	6th	38%
48	7th	25%
49	8th	13%

1	9th and thereafter	0%
2	(9) For deductions allowed over a nine (9) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	88%
6	3rd	77%
7	4th	66%
8	5th	55%
9	6th	44%
10	7th	33%
11	8th	22%
12	9th	11%
13	10th and thereafter	0%
14	(10) For deductions allowed over a ten (10) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	90%
18	3rd	80%
19	4th	70%
20	5th	60%
21	6th	50%
22	7th	40%
23	8th	30%
24	9th	20%
25	10th	10%
26	11th and thereafter	0%

(f) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

- (1) the deduction under this section as in effect on March 1, 2001; and
- (2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application

1 from the county auditor. A certified copy of the resolution shall
2 be sent to the county auditor.

3 A determination about the number of years the deduction is allowed
4 that is made under subdivision (1) is final and may not be changed by
5 following the procedure under subdivision (2).

6 (h) The owner of new manufacturing equipment that is directly
7 used to dispose of hazardous waste is not entitled to the deduction
8 provided by this section for a particular assessment year if during that
9 assessment year the owner:

10 (1) is convicted of a violation under IC 13-7-13-3 (repealed),
11 IC 13-7-13-4 (repealed), or IC 13-30-6; or

12 (2) is subject to an order or a consent decree with respect to
13 property located in Indiana based on a violation of a federal or
14 state rule, regulation, or statute governing the treatment,
15 storage, or disposal of hazardous wastes that had a major or
16 moderate potential for harm.

17 (i) For purposes of subsection (d), the assessed value of new
18 manufacturing equipment, new research and development equipment,
19 new logistical distribution equipment, or new information technology
20 equipment that is part of an owner's assessable depreciable personal
21 property in a single taxing district subject to the valuation limitation
22 in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

23 (1) the assessed value of the equipment determined without
24 regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC
25 5.1-6-9; multiplied by

26 (2) the quotient of:

27 (A) the amount of the valuation limitation determined under
28 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's
29 depreciable personal property in the taxing district; divided
30 by

31 (B) the total true tax value of all of the owner's depreciable
32 personal property in the taxing district that is subject to the
33 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9
34 determined:

35 (i) under the depreciation schedules in the rules of the
36 department of local government finance before any
37 adjustment for abnormal obsolescence; and

38 (ii) without regard to the valuation limitation in 50 IAC
39 4.2-4-9 or 50 IAC 5.1-6-9.

40 SECTION 5. IC 6-1.1-12.1-5, AS AMENDED BY P.L.193-2005,
41 SECTION 1, IS AMENDED TO READ AS FOLLOWS: Sec. 5. (a)
42 A property owner who desires to obtain the deduction provided by
43 section 3 of this chapter must file a certified deduction application,
44 on forms prescribed by the department of local government finance,
45 with the auditor of the county in which the property is located.
46 Except as otherwise provided in subsection (b) or (e), the deduction
47 application must be filed before May 10 of the year in which the
48 addition to assessed valuation is made.

49 (b) If notice of the addition to assessed valuation or new

1 assessment for any year is not given to the property owner before
2 April 10 of that year, the deduction application required by this
3 section may be filed not later than thirty (30) days after the date such
4 a notice is mailed to the property owner at the address shown on the
5 records of the township assessor.

6 (c) The deduction application required by this section must contain
7 the following information:

8 (1) The name of the property owner **and, if applicable, the**
9 **property owner's tenant.**

10 (2) A description of the property for which a deduction is
11 claimed in sufficient detail to afford identification.

12 (3) The assessed value of the improvements before
13 rehabilitation.

14 (4) The increase in the assessed value of improvements resulting
15 from the rehabilitation.

16 (5) The assessed value of the new structure in the case of
17 redevelopment.

18 (6) The amount of the deduction claimed for the first year of the
19 deduction.

20 (7) If the deduction application is for a deduction in a
21 residentially distressed area, the assessed value of the
22 improvement or new structure for which the deduction is
23 claimed.

24 (d) A deduction application filed under subsection (a) or (b) is
25 applicable for the year in which the addition to assessed value or
26 assessment of a new structure is made and in the following years the
27 deduction is allowed without any additional deduction application
28 being filed. However, property owners who had an area designated
29 an urban development area pursuant to a deduction application filed
30 prior to January 1, 1979, are only entitled to a deduction for a five
31 (5) year period. In addition, property owners who are entitled to a
32 deduction under this chapter pursuant to a deduction application filed
33 after December 31, 1978, and before January 1, 1986, are entitled to
34 a deduction for a ten (10) year period.

35 (e) A property owner who desires to obtain the deduction provided
36 by section 3 of this chapter but who has failed to file a deduction
37 application within the dates prescribed in subsection (a) or (b) may
38 file a deduction application between March 1 and May 10 of a
39 subsequent year which shall be applicable for the year filed and the
40 subsequent years without any additional deduction application being
41 filed for the amounts of the deduction which would be applicable to
42 such years pursuant to section 4 of this chapter if such a deduction
43 application had been filed in accordance with subsection (a) or (b).

44 (f) Subject to subsection (i), the county auditor shall act as
45 follows:

46 (1) If a determination about the number of years the deduction
47 is allowed has been made in the resolution adopted under
48 section 2.5 of this chapter, the county auditor shall make the
49 appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property if:

(1) the new owner of the property

~~(1) or a lessee of the new owner~~ continues to use the property in compliance with any standards established under section 2(g) of this chapter; and

(2) **the new owner** files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located review the deduction application.

(j) A property owner may appeal a determination of the county auditor under subsection (f) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the person notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

SECTION 6. IC 6-1.1-12.1-5.1, AS AMENDED BY P.L.193-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS: Sec. 5.1. (a) This subsection applies to:

(1) all deductions under section 3 of this chapter for property located in a residentially distressed area; and

(2) any other deductions for which a statement of benefits was approved under section 3 of this chapter before July 1, 1991.

In addition to the requirements of section 5(c) of this chapter, a deduction application filed under section 5 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction application.

(b) This subsection applies to each deduction (other than a

deduction for property located in a residentially distressed area) for which a statement of benefits was approved under section 3 of this chapter after June 30, 1991. In addition to the requirements of section 5(c) of this chapter, a property owner who files a deduction application under section 5 of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable at the same time that the property owner is required to file a personal property tax return in the taxing district in which the property for which the deduction was granted is located. If the taxpayer does not file a personal property tax return in the taxing district in which the property is located, the information must be provided before May 15.

(c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

(1) The name and address of the taxpayer **and, if applicable, the property owner's tenant.**

(2) The location and description of the property for which the deduction was granted.

(3) Any information concerning the number of employees at the property for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.

(5) Any information concerning the assessed value of the property, including estimates that were provided as part of the statement of benefits.

(d) The following information is confidential if filed under this section:

(1) Any information concerning the specific salaries paid to individual employees by the property owner **or a tenant of the property owner.**

(2) Any information concerning the cost of the property.

SECTION 7. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.193-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS: Sec. 5.4. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction schedule with the person's personal property return on a form prescribed by the department of local government finance with the township assessor of the township in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located. Except as provided in subsection (e), the deduction is applied in the amount claimed in a certified schedule that a person files with:

(1) a timely personal property return under IC 6-1.1-3-7(a) or IC 6-1.1-3-7(b); or

(2) a timely amended personal property return under IC 6-1.1-3-7.5.

The township assessor shall forward to the county auditor and the county assessor a copy of each certified deduction schedule filed under this subsection.

(b) The deduction schedule required by this section must contain the following information:

(1) The name of the owner ~~of~~ **and, if applicable, the name of a person leasing** the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction schedule with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction schedule to the designating body, and the designating body shall adopt a resolution under section 4.5(g)(2) of this chapter.

(d) A deduction schedule must be filed under this section in the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed and in each of the immediately succeeding years the deduction is allowed.

(e) The township assessor or the county assessor may:

(1) review the deduction schedule; and

(2) before the March 1 that next succeeds the assessment date for which the deduction is claimed, deny or alter the amount of the deduction.

If the township assessor or the county assessor does not deny the deduction, the county auditor shall apply the deduction in the amount claimed in the deduction schedule or in the amount as altered by the township assessor or the county assessor. A township assessor or a county assessor who denies a deduction under this subsection or alters the amount of the deduction shall notify the person that claimed the deduction and the county auditor of the assessor's action. The county auditor shall notify the designating body and the county property tax assessment board of appeals of all deductions applied under this section.

(f) If the ownership of new manufacturing equipment, new

research and development equipment, new logistical distribution equipment, or new information technology equipment changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

(1) the new owner **or person leasing the property from the new owner**

(+) continues to use the equipment in compliance with any standards established under section 2(g) of this chapter; and

(2) **the new owner** files the deduction schedules required by this section.

(g) The amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

(h) A person may appeal a determination of the township assessor or the county assessor under subsection (e) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the township assessor or the county assessor not more than forty-five (45) days after the township assessor or the county assessor gives the person notice of the determination. Except as provided in subsection (i), an appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(i) The county assessor is recused from any action the county property tax assessment board of appeals takes with respect to an appeal under subsection (h) of a determination by the county assessor.

SECTION 8. IC 6-1.1-12.1-5.6, AS AMENDED BY P.L.1-2006, SECTION 134, IS AMENDED TO READ AS FOLLOWS: Sec. 5.6.

(a) This subsection applies to a property owner whose statement of benefits was approved under section 4.5 of this chapter before July 1, 1991. In addition to the requirements of section 5.4(b) of this chapter, a deduction schedule filed under section 5.4 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 4.5 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction schedule.

(b) This subsection applies to a property owner whose statement of benefits was approved under section 4.5 of this chapter after June 30, 1991. In addition to the requirements of section 5.4(b) of this chapter, a property owner who files a deduction schedule under section 5.4 of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 4.5 of this chapter.

(c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

(1) The name and address of the taxpayer **and, if applicable,**

1 **the name of the person leasing the property from the**
 2 **taxpayer.**

3 (2) The location and description of the new manufacturing
 4 equipment, new research and development equipment, new
 5 logistical distribution equipment, or new information technology
 6 equipment for which the deduction was granted.

7 (3) Any information concerning the number of employees at the
 8 facility where the new manufacturing equipment, new research
 9 and development equipment, new logistical distribution
 10 equipment, or new information technology equipment is located,
 11 including estimated totals that were provided as part of the
 12 statement of benefits.

13 (4) Any information concerning the total of the salaries paid to
 14 those employees, including estimated totals that were provided
 15 as part of the statement of benefits.

16 (5) Any information concerning the amount of solid waste or
 17 hazardous waste converted into energy or other useful products
 18 by the new manufacturing equipment.

19 (6) Any information concerning the assessed value of the new
 20 manufacturing equipment, new research and development
 21 equipment, new logistical distribution equipment, or new
 22 information technology equipment including estimates that were
 23 provided as part of the statement of benefits.

24 (d) The following information is confidential if filed under this
 25 section:

26 (1) Any information concerning the specific salaries paid to
 27 individual employees by:

28 (A) the owner of the new manufacturing equipment, new
 29 research and development equipment, new logistical
 30 distribution equipment, or new information technology
 31 equipment; **or**

32 (B) **a person leasing equipment described in clause (A)**
 33 **from the owner of the equipment.**

34 (2) Any information concerning the cost of the new
 35 manufacturing equipment, new research and development
 36 equipment, new logistical distribution equipment, or new
 37 information technology equipment.

38 SECTION 9. IC 6-1.1-12.1-5.9, AS AMENDED BY
 39 P.L.154-2006, SECTION 30, IS AMENDED TO READ AS
 40 FOLLOWS: Sec. 5.9. (a) This section does not apply to:

41 (1) a deduction under section 3 of this chapter for property
 42 located in a residentially distressed area; or

43 (2) any other deduction under section 3 or 4.5 of this chapter for
 44 which a statement of benefits was approved before July 1, 1991.

45 (b) Not later than forty-five (45) days after receipt of the
 46 information described in section 5.1, 5.3(j), or 5.6 of this chapter, the
 47 designating body may determine whether the property owner has
 48 substantially complied with the statement of benefits approved under
 49 section 3, 4.5, or 4.8 of this chapter. If the designating body

determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

(1) An explanation of the reasons for the designating body's determination.

(2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

(d) A property owner is not excused from showing substantial compliance for benefits approved under section 3 or 4.5 of this chapter, if the reason for the property owner's noncompliance is that the property owner did not obtain or receive information necessary to demonstrate substantial compliance from the property owner's tenant or lessee.

~~(d)~~ (e) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:

(1) the property owner;

(2) the county auditor; and

(3) if the deduction applied under section 4.5 of this chapter, the township assessor.

The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

(f) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.

(g) If an appeal under subsection (e) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

SECTION 10. IC 6-1.1-12.1-12, AS AMENDED BY P.L.154-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS: Sec. 12. (a) A property owner that has received a deduction under section 3, or 4.5 of this chapter is subject to the provisions of this section if the designating body adopts a resolution incorporating the provisions of this section for the economic revitalization area in which the property owner is located.

(b) If:

(1) the property owner ~~(or, in the case of a deduction under section 4.8 of this chapter, the property owner~~ or a tenant of the property owner) ceases operations at the facility for which the deduction was granted; and

(2) the designating body finds that the property owner obtained the deduction by intentionally providing false information concerning the property owner's **or property owner's tenant's** plans to continue operations at the facility;

the property owner shall pay the amount determined under subsection (e) to the county treasurer.

(c) A property owner may appeal the designating body's decision under subsection (b) by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined not more than thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is a final determination that may be appealed in the same manner as other civil actions.

(d) If an appeal under subsection (c) is pending, the payment required by this section is not due until after the appeal is finally adjudicated and the property owner's liability for the payment is finally determined.

(e) The county auditor shall determine the amount to be paid by the property owner according to the following formula:

1 STEP ONE: For each year that the deduction was in effect,
 2 determine the additional amount of property taxes that would
 3 have been paid by the property owner if the deduction had not
 4 been in effect.
 5 STEP TWO: Determine the sum of the STEP ONE amounts.
 6 STEP THREE: Multiply the sum determined under STEP TWO
 7 by one and one-tenth (1.1).
 8 (f) The county treasurer shall distribute money paid under this
 9 section on a pro rata basis to the general fund of each taxing unit that
 10 contains the property that was subject to the deduction. The amount to
 11 be distributed to the general fund of each taxing unit shall be
 12 determined by the county auditor according to the following formula:
 13 STEP ONE: For each year that the deduction was in effect,
 14 determine the additional amount of property taxes that would
 15 have been paid by the property owner to the taxing unit if the
 16 deduction had not been in effect.
 17 STEP TWO: Determine the sum of the STEP ONE amounts.
 18 STEP THREE: Divide the STEP TWO sum by the sum
 19 determined under STEP TWO of subsection (e).
 20 STEP FOUR: Multiply the amount paid by the property owner
 21 under subsection (e) by the STEP THREE quotient.
 22 SECTION 11. [EFFECTIVE JANUARY 1, 2008] **IC 6-1.1-12.1-**
 23 **1, IC 6-1.1-12.1-3, I C 6-1.1, 12.1-4.5, IC 6-1.1-12.1-5, IC 6-1.1-**
 24 **12.1-5.1, IC 6-1.1-12.16-5.4, IC 6-1.1-12.1-5.6, IC 6-1.1-12.1-5.9,**
 25 **and IC 6-11-12.1-12, all as amended by this act, apply to ad**
 26 **valorem property taxes with assessment dates after February 28,**
 27 **2008.**
 28 Renumber all SECTIONS consecutively.
 (Reference is to HB 1774 as reprinted February 13, 2007.)

Representative LEONARD